

Members

Rep. John Day, Chairperson
Rep. John Frenz
Rep. Vaneta Becker
Rep. Cleo Duncan
Sen. Murray Clark
Sen. Connie Lawson
Sen. Frank Mrvan
Sen. Connie Sipes



HEALTH AND CHILD CARE ISSUES EVALUATION COMMITTEE

LSA Staff:

Karen Firestone, Fiscal Analyst for the Committee
Ann Naughton, Attorney for the Committee

Authority: IC-2-5-21-10

Legislative Services Agency
200 West Washington Street, Suite 301
Indianapolis, Indiana 46204-2789
Tel: (317) 233-0696 Fax: (317) 232-2554

MEETING MINUTES¹

Meeting Date: October 21, 2003
Meeting Time: 12:45 P.M.
Meeting Place: State House, 200 W. Washington St.,
156-B
Meeting City: Indianapolis, Indiana
Meeting Number: 3

Members Present: Rep. John Day, Chairperson; Rep. John Frenz; Rep. Vaneta Becker;
Rep. Cleo Duncan; Sen. Connie Lawson; Sen. Frank Mrvan.

Members Absent: Sen. Murray Clark; Sen. Connie Sipes.

Rep. John Day called the meeting to order at 12:55 pm. He indicated that a recap of the previous meetings and recommendations from witnesses had been prepared for the Committee's consideration, and that the members would consider making recommendations later in the meeting (Exhibit A). Next, he introduced the topic of the meeting, the nursing shortage.

Nursing Shortage

Karlene Kerfoot, Clarian Health Partners

Rep. Day asked Karlene Kerfoot, Senior Vice President of Nursing and Patient Care, Clarian Health Partners, to address the Committee concerning the nurse shortage. Ms. Kerfoot provided an outline of her testimony (Exhibit B).

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

Ms. Kerfoot indicated that the nursing shortage was a problem that will not go away and that there will need to be a lot of talking about the problem before a solution is found. She described Clarian Partners as a tertiary care center that requires sophisticated nursing skills. She indicated that the state does not produce enough nurses. She said that Indiana is aging and so are its nurses and that obesity and other chronic conditions require more nursing care. Ms. Kerfoot indicated that the average age of the nursing population is 43 and that there are not enough people in the pipeline to fill retiring nurse positions. A brain drain, candidates going into pharmacy, and nurses moving on to other work from the hospital setting was reducing the pool of nurses, as well.

Ms. Kerfoot said that some hospitals are magnets, attracting employees who stay because the work conditions are favorable. Some states are trying to make all hospitals magnets. However, financing of health care is becoming an issue as more people are self-insured or without insurance. She said that Indiana does not want to become like Arizona or California, where there is lack of access to emergency room care and patients sometimes have to be transported to other states because of the lack of nurses.

In order to increase the number of registered nurses, Ms. Kerfoot suggested a long-range vision for the state. She recommended convening a forum to get the best minds together and formulate a plan that would provide guidance for at least the next five years. The plan should be based on population characteristics. Additionally, she indicated that addressing chronic health issues with public/private partnerships could reduce demand for nursing services. Further, she recommended that consumers of nursing services should come up with plans and not just leave the issue to hospitals.

Sharon Farley, Indiana University School of Nursing

Rep. Day asked Sharon Farley, Dean, Indiana University School of Nursing, to address the Committee. Ms. Farley indicated that Indiana is producing fewer nurses than it has in the past, although all nursing school slots are currently filled. She indicated that the nursing shortage gets worse the further west one goes in the United States, and that some states that produce more nurses, typically on the East Coast, have more schools of nursing and more funding to pay for nursing students.

Ms. Farley said that in pharmacy schools, the gender of students is evenly divided between males and females, but that in nursing only about 13% of the students are male. Most males only attend nursing school as a second career and not out of high school. She said that the question is how to interest more males in nursing. She indicated that advertising by Johnson and Johnson and Clarian has helped attract male candidates.

Sen. Frank Mrvan asked about the training of nursing students and what level of nursing was effected by the shortage. Ms. Farley answered that a person could sit for the registered nursing examination after a two-year nursing program or a four-year baccalaureate nursing program, and that a licensed practical nurse certification required one year of study. She indicated that there is a tremendous shortage of four-year nurses who can handle more acute situations, and that masters-prepared people who can work as specialists or train additional four-year nurses were also in short supply.

Rep. Day asked if a five-year plan were developed, who should be responsible. Ms. Farley indicated that it should be a consortium of people and that in light of not having good data, the state will have to help.

Jan Bingle, Community Health Network - Indianapolis

Rep. Day called on Jan Bingle, Community Health Network - Indianapolis, who explained that her network contained five hospitals employing 2,200 nurses. She spoke concerning the Indiana Workforce Development Coalition which started in 2001. (Exhibit C) Ms. Bingle said that nursing is an economic engine with \$3.6 billion in payroll. She added that for every nursing job created, one additional job is created. She indicated that there were over 2,000 clinical jobs vacant, and that trend will not reverse itself. In Indiana, 10% of Hoosiers work in healthcare, and these jobs pay above the state average.

Ms. Bingle discussed a summit with nurses from universities and government with support from Eli Lilly. She said that North Carolina had developed a nursing excellence center which is state-funded. She indicated that there were lots of data available, but that there are no dollars available to analyze them. Ms. Bingle discussed Spotlight on Nursing, a run to support nursing scholarships. (Exhibit D) She then talked about a survey of nursing faculty salary needs in Indiana and indicated there is a white paper available online. She discussed the need for more slots for nursing students and more basic courses leading to the study of nursing. She indicated that most people pursue nursing as a second career and that, as people are getting laid off, there is an opportunity to bring them into the healthcare professions.

Sen. Connie Lawson asked why there were not enough positions available in schools. Ms. Bingle indicated that there are several issues, including not having enough people with a PhD or MA to teach courses, lack of basic courses, and the costs to attend school. She indicated that there was a competition between schools and hospitals to attract high-level nurses. In answer to a question concerning the number of open positions, Ms. Bingle indicated that 21% of the nursing positions in the state were open.

Ms. Farley then talked about education trends in Indiana and across the country. In Indiana, all programs are full and have been full only in the last two years. The number of masters level students is up, and, although doctoral programs are down across the country, the enrollments are up in Indiana. In addition, about 28% of the qualified applicants for an associate nursing degree or a baccalaureate nursing degree are not accepted for reasons including the lack of faculty, maintaining a proper ratio between students and faculty, and lack of clinical placements. For example, IUPUI places 200 new students each year in clinical settings, and these placements require adequate supervision. Ms. Farley suggested that educators may have to develop other ways to educate nursing students.

Rep. Cleo Duncan asked about distance learning, and Ms. Farley indicated that there are some programs; that distance learning is very difficult for new students, but it works better for masters and PhD students. Also, she said that it does not work for clinical experience where the student to supervisor ratio needs to be as low as 10 to 1.

Ms. Farley foresees the number of applications dropping in the next five years as the economy improves and candidates find other occupations. In Indiana, 41% of the nurses have a bachelors degree and 59% do not. The nurses who do not have a bachelors degree may have been in three-year hospital training programs, which are no longer available. Also, 8% of nurses have a masters degree, and 6% have a PhD. The average age of a starting professor is 51, and of all nursing faculty is 59.

Partnerships with hospitals can create clinical experience opportunities for students. However, the low percentage of masters-prepared nurses makes it difficult to find supervisors for the students. They have started programs that allow students to come for the summer and use distance learning. The number of PhD programs have increased across the country, but the number of students is down. At the federal level, funds are being used to get more students. There is a need for good data to know where programs should be and to recruit students. North Dakota has a good model for this. Also, Ms. Farley indicated that many students are second

degree students and that many scholarships are available to first degree students only. Additionally, Ms. Farley said that salaries for faculty must increase because Indiana's are the lowest in the Big 10. The faculty has decreased by 21 positions, but the number of credit hours has increased. Appropriations, tuition, and fees only pay 40% of the cost of nursing education.

Rep. Vaneta Becker opined that these problems have been discussed for years, but that scholarships are not funded. She asked what the wish list would be, regardless of the cost. Ms. Farley responded that in order to produce more nurses the salary structure would have to change and that there would need to be more scholarships for masters and doctoral candidates. She also noted that single women with families or jobs have difficulty pursuing nursing degrees.

In response to a question from Rep. Duncan, Ms. Farley indicated that hospitals as well as schools are experiencing shortages and advanced degree nurses cannot take care of patients and teach effectively. Ms. Kerfoot added that schools of nursing are limited on the number of part-time faculty that they may employ. Ms. Farley suggested that there may be models at the national level for training nurses that have not yet been applied.

Rep. Peggy Welch, who was observing the meeting, was recognized to speak. Rep. Welch had recently attended a National Council of State Legislatures (NCSL) conference which brought together states to talk about this issue, including Indiana, Texas, and California. She indicated that most nursing candidates have between a 4.0 and 3.75 grade-point average (GPA) with the average GPA being 3.8. It is not the quality of candidates lacking, it is the number of slots available for those candidates. In two years, colleges will need masters level nurses to teach and maintain accreditation. Rep. Welch suggested that a program where the state pays for students and then requires students to stay may be a solution to the problem. She indicated that another solution considered by the conference was working to lessen the incidence of chronic disease and reduce the need for nurses. She also discussed the Interstate Nursing Compact enacted last year, making it easier to attract nurses to the state. She commended the HCCI Committee for taking up the issue and said that as more people hear about the problem, we may come up with more solutions.

Ruth Ann Morris, Bloomington City Hospital

Next, Rep. Day asked Ruth Ann Morris, Bloomington City Hospital, to speak. She opined that hospitals must work to become employers of choice, because health care will continue to be an issue. She indicated that other issues, such as streamlining recordkeeping and introducing technology will be part of the solution for retaining nurses. Other ideas for retaining nurses included nurse mentoring, partnerships between hospitals and colleges, and more diversity in the workforce. Ms. Morris said that allowing nurses to participate in decision making would improve the workplace for nurses, along with better reimbursement.

Ms. Morris indicated that Bloomington City Hospital has less than 1% vacancy and low turnover. She credits scheduling and compensation, as well as providing rewards for good service and participation in decisions for this record. She concluded by saying that sophistication in leadership skills will be important, along with increased access to technology, career ladders for nurses, and better communication with the workforce.

Barbara Mitchell, Nursing 2000

Ms. Barbara Mitchell, Executive Director, Nursing 2000, was next called to testify. Ms. Mitchell presented materials (Exhibit E) and described her organization, indicating that it had been in existence for 13 years, created during the last nursing shortage in the 1980s. Nursing 2000 has provided over 500 shadowing opportunities to encourage high school students to enter nursing.

Of those given the opportunity to shadow a nurse, 70% indicated that they have or will enroll in nursing school. She indicated that between 1995 and 2001, 31% fewer people have sat for the state board exam. A database to match resources would help increase the number of candidates, but since too few people have a masters degree or above, the slots are not available for willing students. Ms. Mitchell said that Nursing 2000 has reviewed salaries for teaching positions in Indiana and finds that \$1 million are needed to bring salaries into the range of other states. Also, she said that basic courses like chemistry need to be more widely available.

Nursing scholarships for undergraduate studies have helped create diversity. She indicated that \$70,000 in scholarships was available in Indiana. She recommended nursing faculty scholarship programs as well. She indicated that the Health Professions Bureau (HPB) has helped collect data about nurses in Indiana, but that the analysis of the data is costly.

In response to a question from Rep. John Frenz, Ms. Farley indicated that nursing diversity could be a target of scholarships and better recruiting.

Ernie Kline, Indiana State Nurses Association

Rep. Day called on Ernie Kline, Executive Director, Indiana State Nurses Association, to speak. Mr. Kline provided a packet of materials (Exhibit F) and made some brief remarks concerning the NCSL conference and the biennial renewal of licenses. He reenforced several of the themes already discussed, including the need for facilities for clinical study and the need for more data.

Rep. Day concluded the discussion by thanking the panel for their presentations. He said that thinking about the issues and incorporating them are the next steps.

Health Professions Bureau Update

The meeting then turned to an update from Health Professions Bureau (Exhibit G) concerning identifying the direct and indirect costs of each health profession board. Matt Hopper, Director of Operations and Policy, Health Professions Bureau (HPB) indicated that the reversions were most telling of any revenue in excess of expenditures and that these had been minimal. Sen. Lawson, reviewing the materials presented by HPB, asked if expenditures could be broken down by board. Mr. Hopper used furniture as an example indicating that all boards use the furniture and that he could not allocate that cost. Sen. Mrvan asked if HPB could pinpoint the amount going to other agencies so that there may be a way to judge if there is money available for scholarships. Mr. Hopper indicated that they did not know these amounts.

Recommendations

Rep. Duncan suggested that the Committee consider doing something so that there could be more flexibility for after-school care. Sen. Lawson indicated that recent legislation had increased Class I and II daycare to three children enrolled in grade one. These facilities could then have 12 full-day children and three after school. Further, adding more to unlicensed facilities where there could be any number of related children plus five other unrelated children already, was not a solution.

Rep. Frenz asked why these facilities could not become licensed, to which Rep. Duncan indicated that cost of licensing includes extra expenses such as fencing property. Rep. Day discussed the 4-C program and asked if it would be a help to the situation in Rep. Duncan's district. Sen. Lawson suggested that the schools should have latchkey programs in the community. Rep. Duncan indicated that the latchkey program at the school is for academically

challenged students and limited to 70 children. Ms. Ann Naughton, LSA, reviewed the statute concerning after-school program requirements for school districts and indicated that a school district has to apply for an exemption to provide an exclusive program. Rep. Duncan indicated that she understood the funding for the after-school program came from special program funds and would not be available if the program was not exclusive. Rep. Day indicated that former legislation encouraged public/private relationships so that, for example, the Girl Scouts could provide the program on school property. He said that the school is required to provide the service if it is needed in the community. Sen. Lawson asked Rep. Duncan what needed to be done. Rep. Duncan recommended that after-school children not be counted in rural areas to allow flexibility for latchkey children. After further Committee discussion, it was decided not to make this recommendation, because the extra child could increase risk.

The Committee chose not to make any further recommendations and indicated that the testimony taken by the Committee would stand as the Committee's contribution for the year.

Rep. Day adjourned the meeting at 3:00 pm.